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ELEMENTS OF AN AGRICULTURAL MARKETING STRATEGY  
FOR JAMAICA





## PREFACE

The Inter-American Development Bank (IDB) over the years has shown an interest in assisting GOJ in improving its marketing services. Recently IDB has gone beyond that stage and has now indicated a willingness to finance a marketing project in Jamaica.

The IDB Representative in Jamaica requested the Director of IICA/Jamaica to approach MINAG to determine whether it would be prepared to use technical assistance which could be provided by IICA in establishing an improved marketing system.

The Director of IICA/Jamaica sought and obtained the assistance of Mr. Jerry La Gra, an IICA Specialist in Marketing based in the Dominican Republic. Mr. La Gra arrived in Jamaica on Tuesday 6th March and after discussions with representatives from a number of key agencies (local and international) a synthetic document. This document was presented at a prepared Round Table held at the MINAG on Friday 9th inst. Those present at the Round Table included representatives from MINAG, US/AID, IDB and IICA/Jamaica.

Percy Aitken-Soux  
Director

**ELEMENTS OF AN AGRICULTURAL MARKETING STRATEGY  
FOR JAMAICA**

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## INTRODUCTION.

### ELEMENTS OF AN AGRICULTURAL MARKETING STRATEGY FOR JAMAICA

#### 1.1 Traditional Marketing Systems in the Caribbean

Up until recent times marketing systems in the islands of the Caribbean were basically traditional systems characterized by the "Huckster" in Guyana and some of the smaller islands, the "Hawker Sara" in Haiti. These systems function similarly in all of the countries with the following characteristics:-

1. Predominantly middle aged and older women operating with limited capital.
2. Handle very small amounts of produce (often on the order of 100 lbs.)
3. Basic services provided are assembly and transport, however in some cases harvesting and grading service, sales on consignment and even credit is provided.
4. Tendency to purchase directly at farm gate from same individual farmers.
5. High degree of mobility (enter and exit from trade) depending on economic conditions.
6. Product and geographical specialization.
7. Inadequate storage facilities at selling point, and large number of intermediaries in the system but each having small marketing margin.

In any one country these traditional marketing women can be divided into sub-groups depending on their level of operation: wholesale or retail; geographical location: farm or urban; and the services they provide: transport or storage.



1.2 Introduction of Modern Marketing Systems.

In the early 1960's most of the island economics of the Caribbean decided that the marketing systems must be improved, thus prompting the creation of the Jamaican Agricultural Marketing Corporation in 1963; the Barbados Marketing Corporation (1963); the Guyana Marketing Corporation (1964), the Central Marketing Agency (1964) in Trinidad, and the Price Stabilizing Institute<sup>1/</sup> (1969) in the Dominican Republic. Only Haiti,<sup>2/</sup> of the larger islands, failed to establish a Marketing Corporation.

The basic characteristics of these marketing corporations are:-

1. Large numbers of Government employees and corresponding bureaucracy.
2. Frequent turnover of decision making personnel.
3. Significant infrastructure including some or all of the following: silos warehouses, cold storage facilities, assembly centers and administrative offices.

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<sup>1/</sup> Instituto Nacional de Estabilizacion de Precios (INESPRES) Follows a model quite different from the model used in the English speaking countries.

<sup>2/</sup> In 1976 Haiti established a Marketing Division within the Ministry of Agriculture.

Although it is not documented, it is felt that the marketing corporations were established to eliminate the "Higglers", the "Hucksters" and the "Hawkers" who were considered to be inefficient and contributing to the serious marketing problems of:-

- inflated prices for the consumers
- low prices for the small farmers
- poor quality produce
- high post harvest losses and
- undependable supply

Fifteen years have now gone by and the Governments of Jamaica, Trinidad/Tobago, Guyana and Barbados are asking the same question: What is wrong with our internal marketing system? Haiti which did not attempt to compete with its Madam Sara is asking the same question, as is the Dominican Republic which was experimenting with a different type model.

An idea of the effectiveness of these marketing corporations can be added by the following quotation from a Governmental Publication. "This statutory corporation has enjoyed a somewhat unspectacular career since the commencement of its operations in 1963. Since its inception the Corporation has been operated both as a trading organization, buying and selling produce in competition with private enterprise, and in other cases in providing a service.

"In all of its operations the Corporation has made financial losses and each year of operation has sustained deficits of some magnitude. "At present, the accumulated deficit is equivalent to \$30 for each member of the population".

There is no need to mention the name of the country in question since the same paragraph can be repeated for Jamaica, Barbados, Guyana, Trinidad and with minor adjustments even the Dominican Republic.

## 2. MARKETING PROBLEMS

For at least the past four years the Government of Jamaica has been greatly concerned with the inadequacy of the internal marketing system and has been looking for alternative strategies. During this same period partial solutions have been proposed, including:

- The strengthening of AMC with additional infrastructure and personnel.
- Creating disincentives to eliminate the higglers
- Utilizing surplus produce thru agro-industry
- Implementing post-harvest loss reduction programs
- Modernizing existing markets and constructing new markets.
- Stimulating exports of non-traditional products and others.

What all of these "solutions" have in common is that they are restricted to specific problems and do not focus on the internal marketing system as a whole. This is a serious mistake and one quite commonly made. Results of such one-sided programs are readily visible in the form of white elephants throughout Latin America and the Caribbean. To mention a few classical examples:-

1. Cold storage facilities in rural and urban areas lying idle for lack of demand, excessive operating costs or inadequate management skills.
2. Cement silos for storing grains not in operation for inadequate maintenance, lack of skilled operators or simply because potential use, e.g., storing paddy rice, does not correspond with Government marketing policy, e.g., storage and distribution of white rice; and

3. Public markets, producer markets and even central markets inadequately used due to improper design, location or ambitious planning.

In order to avoid this type of mistake when implementing marketing strategy it is necessary to have a detailed understanding of the interrelationships of the diverse problems. One method for carrying out this type of analysis is that of simply studying the marketing problems at the three principal stages <sup>1/</sup> which all products pass thru:

Assembly \_\_\_\_\_ Leveling Out \_\_\_\_\_ Distribution

## 2.1 Assembly

Using the systems approach when we refer to marketing problems at the assembly level we are normally referring to those problems encountered by the small farmer or at least seen from the small farmers point of view. <sup>2/</sup> They include problems related to the marketing of agricultural inputs, the marketing of basic consumer items and the marketing of his crops (marketing is much more than simply selling produce).

- 2.1.1 Small farmer problems related to input distribution. Farmers are normally small consumers of agricultural inputs. This normally causes problems such as:-
  - a) Basic inputs unavailable on a timely basis
  - b) Some important inputs not available at all.
  - c) High costs of inputs
  - d) Lack of quality control

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<sup>1/</sup> Assembly and distribution are well understood. Leveling out is the intermediate stage where the product may be stored, processed, packaged, etc. in an attempt to "level out" supply.

<sup>2/</sup> This is under the assumption that the small farmer is in the weakest bargaining position and Government policy favors strengthening this position.

- e) Inadequate information (extension) in use of the inputs.
- f) Inputs are purchased in very small quantities thus no economics of scale.

2.1.2 Small farmer problems related to availability of basic consumer goods.

The small farmer due to his semi-isolation often has difficulties in obtaining basic food items required for daily survival. The problems related to this area are the following:-

- a) Availability of basic food items in rural communities is often inadequate and partial.
- b) Due to higher transport costs and reduced competition rural consumers normally pay higher prices for basic food items.
- c) Demand for basic foods in rural areas is often low thus eliminating possible economics in bulk purchases.

2.1.3 Small farmer problems related to the marketing of his produce.

The most important time each year in the life of the small farmer is probably that or those periods when he sells his harvest. At this point his decision making process begins anew with basic decisions as to what consumer goods to purchase, what animals (investments) to purchase, what crops to plant in the following period, or as is often the case: how to repay production credit to the agricultural bank, intermediaries or friends. All of these decisions, and more, depend upon the small farmers ability, or luck, in obtaining a fair price for his produce. Some of the factors or problems which limit the

small farmers ability to negotiate a fair price are the following:-

- a) Reduced scale of production and thus small volumes to be marketed.
- b) Seasonality of production, resulting in scarcities and gluts brought about by poor programming; causes excessive price variation.
- c) Number of potential buyers for any one small farmer are very limited.
- d) Difficulty in identifying new markets and thus by-passing traditional intermediaries.
- e) Lack of decision making information on prices, markets, competitors, etc. at the farm level.
- f) Insufficient infrastructure at the rural level for storing agricultural produce for short periods of time.
- g) System of weights and measures controled by intermediaries to the disadvantage of the small producer.
- h) Extreme dependency upon the intermediary for market information, credit, transportation and other marketing services.

In summarizing the marketing problems of the small farmer at the Assembly stage in the marketing system we might conclude that:

The small farmer has a very low level of negotiating power in the sale of his produce, brought about by insufficient Governmental marketing services and dependency upon traditional intermediaries.

The solution to this situation of course would be:

- Improved Governmental Marketing Services, and
- Reduced dependency upon traditional intermediaries

2.1.4 Assembly problems from another view point. In analysing the marketing problems at the assembly stage of the system it would be incomplete if we did not mention problems as seen thru the eyes of the traditional intermediary or the Government marketing institution. Since the problems in both cases are basically the same they may be treated as one. The principal problems for these two types of intermediaries are the following:-

- a) Volume of produce available at any one farm is very small thus increasing costs of assembly function in terms of time and transport costs.
- b) Quality of produce is often lowered by farmers attempt to increase weight (adding water) or volume (adding soil, rocks, sticks, etc).
- c) Often difficult to plan assembly because the farmers may not harvest as planned or they may find alternative markets offering better price conditions.

## 2.2 Leveling Out

Once the agricultural produce leaves the assembly stage and before it enters the distribution stage it is considered to be in the leveling out stage, where it may be transported, stored, transformed, processed or whatever. In analyzing the problems which occur at the leveling out stage it is beneficial to distinguish between those affecting the traditional marketing system and those affecting the modernized (Government institutions) system.

2.2.1 Problems affecting or caused by the traditional system at the leveling out stage.

Due to the characteristics of the traditional market system (see 1.1) of limited capital, small volume and inadequate storage facilities, the Leveling Out stage under this model is very short. The major problems identified include:-

- a) High cost of transport due to small volumes.
- b) Mismanagement of produce while being transported to urban areas. Product packaged inadequately, often left in sun, improperly stacked on trucks and handled roughly. All of these factors tend to stimulate product deterioration and increase post-harvest losses.
- c) Improper storage facilities in and around public markets. Once the produce reaches the urban areas and before moving into the distribution stage it is often stored for short periods of time in rudimentary warehouses or the street or in the truck where it receives only minimal attention and is often negatively affected by the elements (sun, rain) rodents and insects.

2.2.2 Problems Affecting or caused by the Modernized System at the Leveling Out Stage.

As mentioned in 1.2 the more modernized marketing systems in the Caribbean are characterized by:-

- Government bureaucracy
- Frequent turnover of personnel, and
- Significant infrastructure.



Most of the marketing problems which affect these modernized systems are related to one or more of these characteristics. The principal problems are the following:-

- a) Lack of clear definition of policies and objectives: e.g., subsidies and welfare approach vs commercial approach.
- b) Inexistent or inadequate planning and programming function.
- c) Excessive number of employees with very few trained in marketing or with marketing experiences.
- d) Over extension of activities, e.g., assembly, storage, wholesale, retail, etc.
- e) Poor management of basic infrastructure resulting in high level of post harvest losses.
- f) Operating costs are excessively high.
- g) Lack of control of stocks and inventories which stimulate pilferage.
- h) Little coordination with other marketing organizations or institutions.
- i) Failure to help small farmers develop links directly with end-users (industries, exporters) or retailers, thereby bypassing leveling out stage.

### 2.3 Distribution

As with the previous case the problems related to the Distribution stage can be identified according to their impact upon the traditional marketing system or the modernized system.

2.3.1 Problems affecting or caused by the traditional system at the Distribution stage.

Once the Higglers reach the wholesale and retail markets (or street corners) with their produce their basic problems are related to one or more of the following areas:-

- a) Lack of space (legal or otherwise) to retail their produce.
- b) Lack of space to store their produce from one day to the next.
- c) Danger of pilferage and theft
- d) Unsanitary conditions for produce
- e) High cost of transporting small volumes of produce from wholesale market to point of resale.

2.3.2 Problems affecting or caused by the modernized system at the Distribution Stage.

The modernized systems often play an active role in the Distribution Stage. In the case of AMC this is very true as witnessed by its wholesale markets, retail stores (Green Groceries), special shops and mobile retail units. The principal problems at this stage can be summarized as follows:-

- a) Government participating role at the retail level is often a function of surplus produce and thus difficult to provide reliable service.
- b) Due to high operating costs, prices at retail level are often higher than those offered in traditional channel unless subsidized by the Government.

- c) Price subsidies often benefit higher income groups who are principal consumers of fresh fruits and vegetables.
- d) Post harvest losses are exceedingly high at wholesale/retail level (adding to elevated operating costs).
- e) Modernized systems tend to over emphasize the importance of infrastructure resulting in misallocation of resources.
- f) Decision makers often make decisions about marketing and marketing infrastructure without having sufficient information on the subject.
- g) The export potential for selected non-traditional crops is often over-looked.

### 3. POLICY DECISIONS

Up to this point we have identified a series of problems which occur at the three principal stages of the marketing process. Before it is possible to outline specific strategies to reduce <sup>and to</sup> eliminate these problems it will be necessary for the Government to make a series of important decisions related to Marketing Policy. These decisions may be grouped into the following three categories:-

- Definition of principal beneficiaries of marketing policy.
- Definition of general strategy to attack marketing problems.
- Definition of institutional organization necessary to implement strategies.

### 3.1 Beneficiaries of Marketing Policy

The potential beneficiaries include the farmers (or small farmers), the traditional intermediaries (Higglers) and the consumers. Marketing policy may be oriented towards one of the three groups or some combination of the three.

#### 3.1.1 Small Farmers

Due to the large number of small and medium sized farmers (300,000), their importance to the economy, and the dependency of increasing production on an efficient marketing system, this group is the most logical to be identified as principal beneficiaries of marketing policy. This would imply improved marketing services for the small farmer including input supply, assembly, price information, credit, training, extension, etc.

#### 3.1.2 Higglers

This group represents a much smaller percentage of the total population than either small farmers or consumers. However, approximately 12,000 Higglers are employed in the marketing system which is an element that must be considered for its socio-political implications.

#### 3.1.3 Consumers

Although one hundred percent of the population fits into the category of consumers, marketing policies often focus on specific groups, such as those earning less than \$100 per month, low income urban consumers or the rural non-employed (the poorest of the poor).

Once the type of consumer beneficiary has been selected additional decisions have to be made as to the type of benefits, for example: institutional feeding programs,

special stores in margin areas, across the board subsidies, marketplace improvement, etc. As with the Higglers the socio-political implications are everpresent and to a much greater degree.

### 3.2 General Marketing Strategy

Once the beneficiaries have been identified it is then possible to plan a development scheme or general strategy to guide overall implementation.

Assuming that the marketing policy is oriented towards improving marketing conditions for the small farmer, while maintaining low prices for the consumer, a general strategy such as shown in figure 2 might be applied. While Figure 1 shows a simplified version of a centralized marketing system, Figure 2 shows the same system modified under a development strategy. The basic differences between the two systems is as follows:-

#### 3.2.1 Centralized Marketing System

1. Power is concentrated at the wholesale level.
2. Marketing functions such as storage, grading, processing, wholesale and retail are concentrated in urban areas.
3. Price determination is influenced substantially by the wholesaler.
4. Producers and retailers are unable to gain strength under such a system.

3.2.2 Modified Development Oriented System

1. Small farmers power of negotiation increases thru organization.
2. Thru the introduction of agro-industry and transformation at the rural level several marketing functions are transferred from the urban to the rural sector.
3. Organized farmers begin selling thru assembly centers to organized or concentrated retailers
4. Organized farmers begin to penetrate new markets such as Governmental institutions, urban agro-industrys and direct exportation.
5. Direct sales to more sophisticated markets will require organized producers to adopt certain minimum norms and standards.
6. Marketing functions such as storage, packaging, grading, processing, etc. are transferred to rural areas.

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Institutional Organization

With the general development strategy defined it is then possible to identify the key institutions necessary and responsible for the strategy implementation.

Diverse models are being used depending upon the country, their policies and their production and export potential. Models which have attempted to create one institution responsible for all aspects of agricultural marketing have generally failed. The trend seems to be towards establishing one normative institution (normally the Ministry of Agriculture) responsible for the definition, orientation and evaluation of marketing policies and the provision of

basis marketing services; such as, price information, marketing extension, marketing studies, etc. Most countries with export potential a third institution has frequently been created to promote and stimulate the export of both traditional and non-traditional products.

Guided by overall developmental strategy and particularly objectives of the agricultural sector, each institution is normally responsible for defining its policy instruments (inputs, prices credit, extension, training, assembly, market place construction, etc.) and its methods.

#### 4. ELEMENTS OF A MARKETING STRATEGY

Given the obvious need for developing the internal marketing system in Jamaica, its past experiences, and drawing upon experiences of countries having similar type problems, it is possible to outline a marketing strategy (or strategies) which should improve marketing efficiency over the shortest possible period (From 1 to 5 years from beginning of implementation). A very important element of this strategy proposal is that its objective is to make the existing system work rather than attempt to introduce a new untried system. Strategies will be presented for each of the three stages: Assembly, Leveling out and Distribution.

##### 4.1 Assembly Strategy

Assuming that certain priority is given to improving the marketing system in benefit of the small farmers, then the first step in any strategy must be that of the identification of those farmers needing and wanting marketing services.

Assembly and marketing service programs should begin with existing farmer associations, coops, land reform schemes or other groupings of small farmers requiring marketing services. These groupings are easily identified thru an inventory, which may also identify principal marketing service needs. Once the clients for marketing services have been identified the next step is to design specific programs for their particular needs. Such programs can be combined and implemented thru Integrated Rural Marketing Service Centers (IRMSC).

#### 4.1.1 Integrated Rural Service Centers

The Integrated Rural Marketing Service Centers (IRMSC) are as the name implies, "Centers" with minimal infrastructure, operated and managed by organizations of small farmers, which provide marketing services to farmers, including the channeling of Governmental Services from the Ministry of Agriculture and other Marketing institutions.

The general objectives for the IRMSC are to improve the standards of living of the small farmer by:

- a. Increasing his returns thru improved power of negotiation with traditional intermediaries.
- b. Increasing his return; by creating new marketing channels direct to retailers and consumers (thus reducing marketing costs and prices to the final consumer as well).
- c. Increasing employment in rural communities by transferring marketing functions such as storage, packaging, transforming, grading, processing, etc. from the urban areas where it now occurs.



- d. Reducing the costs of agricultural inputs; and
- e. Reducing the costs of basic consumer items at the rural level.

Each IRMSC is organized according to the basic felt needs of the farmer organization, or federation of organizations, and is designed with active participation of the group leaders, who continue participating in all aspects of the project, from construction to management of the basic infrastructure.

Each IRMSC, depending on the needs of the community, will have the following elements:-

- a) Assembly and storage infrastructure and offering some of the following services:-
  - price and market information
  - marketing extension services
  - production planning service
  - marketing credit
  - technical assistance in grading, handling, packaging, processing, etc.
  - training in administration/management
  - others that may be required.
- b) An agricultural input store annexed to the service center providing:
  - inputs required in the community on a timely basis
  - quality control of inputs
  - fair prices

c) A consumer store annexed to the service center offering:

- basic consumer foods most commonly consumed in the community
- fair prices

A Government representative would be assigned to each IRMSC in the form of an agricultural extension agent trained in marketing. The input and consumer stores would be operated on a commercial basis but would be able to sell at prices equivalent to urban store prices due to economics obtained in bulk purchases made at the national level for all IRMSC stores.

The assembly centers will be free to sell to traditional intermediaries or the AMC or more direct channels such as to organized retailers, institutions or exporters.

The effectiveness of these rural centers will depend upon the quality of services they can provide. This will entail, therefore, improved marketing services from the Ministry of Agriculture.

#### 4.1.2 Marketing Services

A Key element in making the IRMSC's work will be the support received from the Ministry of Agriculture and other marketing institutions (AMC and JAS). The IRMSC's will require market price information on a timely basis. This information will be provided by the to-be-established Marketing Branch (see 4.2.1) to the M.A. This information will be communicated by daily radio programs or short wave radios or telephones directly to each IRMSC.

Most of the other services to be provided are related to training. This would thus require the preparation of a marketing training program for farmers. This in turn would necessitate a training program for the "trainers", or in other words a training program for MA extension agents.

### 3.2 Leveling Out Strategy

In the section 2.2 above a series of problems at the Leveling Out stage were identified, including problems of the traditional system (2.2.1) and the modern system (2.2.2). The strategy to be applied for solving problems of the traditional system (2.2.1) will be treated in a later section on market place improvement. The strategy presented here then is related to the improvement of the modernized system only. Since nearly all of the problems identified in 2.2.2 can be directly traced to inadequately prepared Government employees the proposed strategy to eliminate this bottleneck is one of training people in key institutions (MA and ANC) in priority areas, and in the case of the Ministry of Agriculture, creating a Marketing Branch.

#### 4.2.1 Marketing Branch Ministry of Agriculture

To provide basic marketing services which are presently not available in the agricultural sector a Marketing Branch must be established within the Ministry of Agriculture. The basic functions of this Marketing Service would be to:

- (a) Formulate agricultural marketing policy and evaluate its implementation
- b) Identify and prepare marketing projects.

- c) Advise the Ministry in all areas related to marketing.
- d) Carry out market research and provide market information and intelligence.
- e) Establish and coordinate training programs in marketing for technicians, extensionists and farmers.
- f) Supervise the input marketing program.
- g) Supervise the implementation of quality standards.
- h) Coordinate with other organizations or institutions active in areas related to marketing (extension service, credit programs, A.M.C. J.A.S. etc.).
- i) Supervise and coordinate the implementation of the Integrated Rural Marketing Service Centers Project.

The Marketing Branch of the Ministry of Agriculture should not attempt to become a SUPER DEPARTMENT undertaking all aspects of internal marketing. This has already been attempted by other institutions and has failed.

The Marketing Branch will be able to play a key role in the development of the internal marketing system by providing those services which it is best suited to provide (market research, price information, extension). Maximizing its role as policy maker and coordinator so as to stimulate other marketing institutions to provide other marketing services.

So as to assure the best possible operation of the Marketing Branch an intensive effort will have to be made to train personnel in priority areas. This training will

include fellowships abroad, short-courses organized in Jamaica or the English speaking Caribbean, in-service training and workshops and seminars.

#### 4.2.2 Agricultural Marketing Corporation

The AMC must undergo a complete reorganization and restructuring so as to fulfill specific functions (which remain to be identified). Assuming that AMC will reduce its role as a retailer but continue to act as an intermediary, with the goal of reducing its losses to the minimum, then the following types of training will be required to permit AMC to become an efficiently operated institution:

- a) Training in planning and programming with the intention of establishing a planning unit within AMC.
- b) Training of personnel to operate and manage AMC infrastructure.
- c) Training in control and management of inventories.
- d) Training in techniques of post harvest loss reduction
- e) Training in the establishment and control of norms and standards.
- f) Training in laboratory analysis.
- g) Other training to be defined.

To maximize the interchange of experiences and to minimize training costs, the training activities could be closely coordinated with training programs in marketing being implemented by IICA in other parts of the Caribbean and the hemisphere.

### 4.3 Distribution Strategy

At the Distribution stage of marketing there are two broad categories of problems: a) those resulting from inadequate market infrastructure and b) those resulting from direct Governmental participation in retailing of agricultural produce. The strategy proposed to eliminate the problems in the later case is quite simple: Removal of Government from its role as retailer (excluding of course Governmental welfare programmers). In the case of inadequate market infrastructure the problem is more complex and will require detailed analysis.

As development takes place market places for fresh fruits and vegetables tend to disappear or become fewer in number, being replaced by neighbourhood stores and supermarkets. However, in the case of Jamaica, Parish Markets apparently continue to play an important role in the traditional marketing system. Considering this to be the case and considering a Government policy to improve Market places, these are several alternatives.

#### 4.3.1 Improving Existing Markets

This is probably the safest strategy, (if well designed) as one is simply modernizing what has developed naturally over the years. The precaution that should be kept in mind is that one should not "over-modernize", adding esthetic aspects considered important by the architect and forgetting functional aspects such as ventilation and comfort highly valued by the users. Another consideration is that one should not attempt to change the function of the market place by adding expensive equipment for storage or processing, which will probably never be efficiently used.

The Higglers as well as the consumer will benefit from improved markets (if well designed) thru better sanitation, more space for wholesale/retail operations and overnight storage.

#### 4.3.2 Specialized Markets.

In addition to improving existing markets another variation is to specialize one or more urban markets in the wholesale function and the remainder in the retail function. The later being supplied by the former.

With this strategy there are diverse alternatives:

##### Alternative No. One:

In this case the urban market (s) which traditionally have fulfilled the wholesale function are identified redesigned and rebuilt to operate primarily or exclusively as wholesale markets. They may be as many as three markets of this types.

##### Alternative No. Two:

In this case traditional wholesale markets are transformed into retail markets and a new Central Wholesale Market is constructed outside of the city limits on or near a major highway. This alternative is the most expensive and could require an investment on the order of 2-4 million dollars just for the wholesale complex alone.

##### Alternative No. Three:

In this case the wholesale function is transferred to the regional centers of production where producer wholesale markets are located. Urban retail markets

would then be supplied directly from the producer markets.

In any of the alternatives the rural assembly centers (IRMSC's) could send produce directly to the retail markets.

#### 4.3.3 Export Market (assembly center)

At some point in the future it may be desirable to construct an export market or assembly center for non-traditional exports. The location of this market will depend upon the existence or not of a Central Wholesale Market, port Facilities, type and volume of exports, etc.

Whichever of the above models, or combinations of, is selected, considerable effort must go into location and design so as to avoid excessive costs and possible rejection by the users.

#### 4.3.4 Organized Retailers

Another variation to improve food distribution in urban areas is that of organized retailers or chains of retail stores that obtain economies of storage and transportation by making group purchases from wholesale markets or directly from the farmer operated assembly centers.

#### 4.4 Summary.

The strategys proposed above are oriented towards improving the marketing system as a whole, concentrating on the solution of common basic problems which affect most marketing systems in the lesser developed would at the three major stages of marketing: Assembly, Leveling Out and Distribution.



The instruments to be used in improving the SYSTEM are of:

- a) Farmer operated rural integrated marketing service centers
- b) Training responsible marketing institution personnel
- c) Improving market infrastructure.

A summary of the marketing strategy is presented in Figure 3 which shows Government activities oriented towards strengthening its marketing institutions (lower portion) and services provided by those institutions at diverse points in the marketing systems (upper portion).

## 5. SUMMARY OF SOME IICA MARKETING ACTIVITIES

### 5.1 Barbados

In Barbados IICA is beginning a two year technical cooperation project to help strengthen the Barbados Marketing Corporation and to create a marketing planning unit within the Ministry of Agriculture.

### 5.2 Costa Rica

In Costa Rica, IICA is helping the Office of Agricultural Planning to set up a National Marketing Program for fruits and vegetables in benefit of the small and medium sized farmers.

### 5.3 Colombia

In Colombia IICA is implementing a National Training Program for Agriculture which includes courses on most of the priority areas in marketing. This center can also organize special courses upon request.

5.4 Guyana

In Guyana, IICA has assisted in planning and preparing a large scale food and marketing project to strengthen the Government marketing institutions and improve the efficiency of the internal marketing system. IICA is being considered as the source of the technical assistance component for project implementation.

5.5 Haiti

In Haiti, IICA is implementing a technical cooperation agreement in marketing to strengthen and create marketing institutions and to establish rural assembly centers.

5.6 Dominican Republic

For the past four years IICA has been executing a technical cooperation agreement in the following areas:-

- Market research and investigation
- Creation of market information service
- Project identification and formulation
- Training of marketing specialists
- Developing market policy and plans
- Implementing a project to establish integrated rural service centers
- Post harvest loss reduction
- Others.

5.7 Venezuela

In Venezuela, IICA is providing technical assistance to a national project to create rural assembly centers and marketing services to support the centers.

5.3 IICA Marketing Specialists.

IICA provides technical cooperation to 10 countries in Latin America and the Caribbean on a permanent basis in the field of marketing. This is done through 13 international and 3 national marketing specialists located in the diverse countries.

6. ELEMENTS OF A TECHNICAL COOPERATION AGREEMENT

The Inter-American Institute for Agricultural Sciences can provide technical cooperation in all aspects of agriculture marketing under the following conditions:-

1. The local Government requests such technical cooperation, and
2. Arrangements are made to finance the cost of the technical cooperation.

In the case of Jamaica a planned technical cooperation agreement between the Government of Jamaica and IICA could include the following elements.

1. Technical cooperation in setting up and implementing the integrated rural service centers project.
2. Technical cooperation in establishing the Marketing Branch within the MA and training personnel in its efficient operation, providing the necessary marketing services.
3. Technical cooperation in the restructuring and reorganization of AMC and training of AMC personnel.

4. Organizing and implementing a training program for marketing specialists.
5. Technical cooperation in the implementation of projects to improve market infrastructure.
6. Training of managers and technical personnel of market infrastructure.



Figure 1. Centralized Marketing System

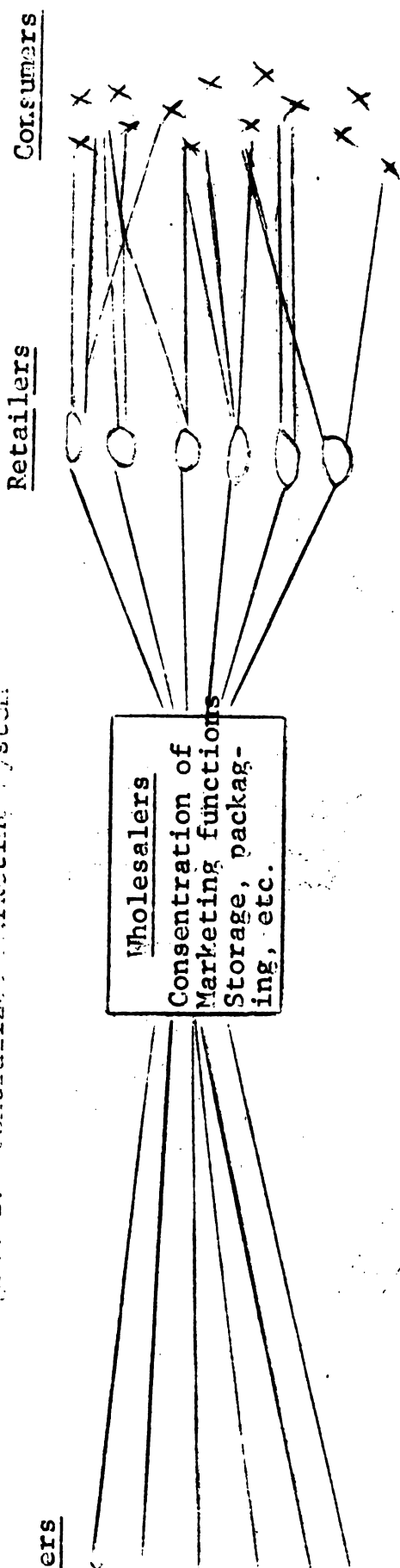
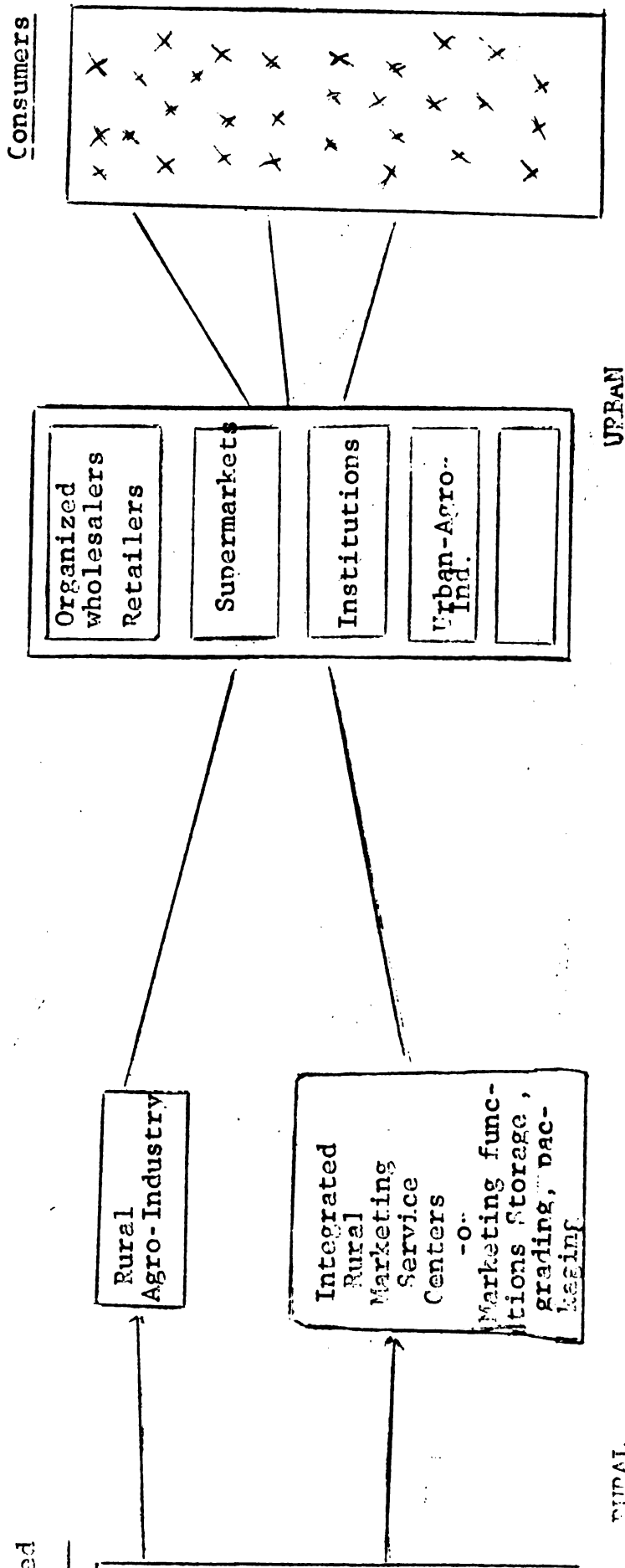


Figure 2: Modified Development Oriented System





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